GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:4989
ANSWERED ON:29.04.2008
SUSPENSION OF EXPORT SUBSIDY ON STEEL
Dhanaraju Dr. K.

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the export subsidy under the Duty Entitlement Pass Book (DEPB) scheme on steel has been suspended;

(b) if so, the reasons therefor;

(c) whether there is a shortage in the supply of steel against the domestic demand; and

(d) if so, the steps taken to boost the domestic supply of steel?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(SHRI JAIRAM RAMESH)

(a) & (b): Yes Sir.DEPB benefits on primary steel items have been suspended w.e.f. 27.3.2008 vide Public Notice No. 130 dated 27.3.2008 and dated 5.4.2008, to help in curbing domestic price increase.

(c) & (d): The steel demand in the country is met both through domestic production and imports. Therefore, any demand over the domestic supply is met through imports.However,keeping in view the rising steel demand in the country, Government has taken a number of steps, both in short term as well as long term to increase steel availability in the country.These are:

(i) Customs duty on steel items is kept at 5%;

(ii) Customs duty on raw materials such as coking coal and steel melting Scrap is Nil and customs duty on metcoke is 5%;

(iii) An Inter-Ministerial Group (IMG) has been constituted under the chairmanship of Secretary (Steel) to monitor and coordinate issues concerning major steel investments in the country;

(iv) Export incentives on export of primary steel items have been suspended.